

# NEWS RELEASE

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## **Former Illiopolis Car Dealer Sentenced to 37 Months in Prison**

Springfield, IL -- Jan Paul Miller, United States Attorney for the Central District of Illinois, announced that a former Illiopolis car dealer, John Richard Graves, 54, currently of Chico, California, was sentenced today to 37 months in prison. U.S. District Judge Jeanne E. Scott further ordered Graves to pay restitution in the amount of \$1,160,936. Judge Scott set January 10, 2006 for Graves to report to the federal Bureau of Prisons to begin serving his prison sentence.

Graves pled guilty on July 8, 2005, to bank fraud and making a false statement. From January 1998 until March 2002, Graves defrauded Hickory Point Bank in Decatur of more than \$1,000,000. In 1998, Graves assumed management of the I. Graves Motor Company, a Ford and Mercury dealership established by Graves' father in 1936 in Illiopolis, Illinois.

Graves received bank loans by pledging as collateral vehicles acquired with the loan proceeds and promising to pay the bank immediately upon the sale of the vehicles. Instead, Graves used the proceeds from vehicle sales for his own use and concealed the sales from the bank by making false claims about the vehicles' whereabouts and using proceeds from subsequent sales of vehicles to pay for those that had been previously sold.

Graves used proceeds from vehicle sales to pay for personal and business expenses including: an in-ground pool and landscaping at his residence; a \$41,000 Jaguar automobile and 2001 Mountaineer vehicle for his wife; his wife's credit card bills; \$10,000 as salary to his wife

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in 2002 even though she did not work for the dealership in 2002; and, \$40,000 to pay Graves' sister-in-law in 2001 even though she did no work for the dealership, but provided care for Graves' mother.

The charges are the result of an investigation by the Federal Bureau of Investigation. The case was prosecuted by Assistant U.S. Attorney Gregory K. Harris.

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